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# The Family Office Insights Series - Global Edition

## Defining the Family Office Landscape, 2024: Executive Summary



# Foreword

Welcome to the executive summary of *Defining the Family Office Landscape*, part of Deloitte Private's **Family Office Insights Series - Global Edition**. This is the second perspective in this new series which, in 2024, will include four reports covering the top 10 family office trends, this map of the family office landscape, cybersecurity, and digital transformation.

This edition delves into the world of family offices—what they are, how they are increasing in number, their future, approaches to hiring and board membership, and much more. It offers fresh insights into their growing presence, asset base, and impact, as well as what makes a family office successful.

To understand these emerging trends, 354 single family offices were surveyed from around the world between September and December 2023 (figure 1). These offices oversee an average assets under management (AUM) of US$2.0 billion, while the associated families have an average wealth of US$3.8 billion. Collectively, this totals an estimated US$708 billion in AUM and US$1.3 trillion in family wealth (figure 2). We also conducted in-depth interviews with 40 senior family office executives, with some representing the most prominent families in the world. These interviews offer invaluable peer-led insights and advice that can help family offices navigate the playing field and plan for long-term success.

This summary document provides a snapshot of the key findings. For a deeper dive into the results, trends, and perspectives, please explore the full, interactive report.

Figure 1: Participating family office regional headquarters' locations

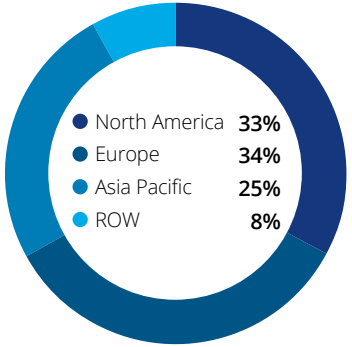
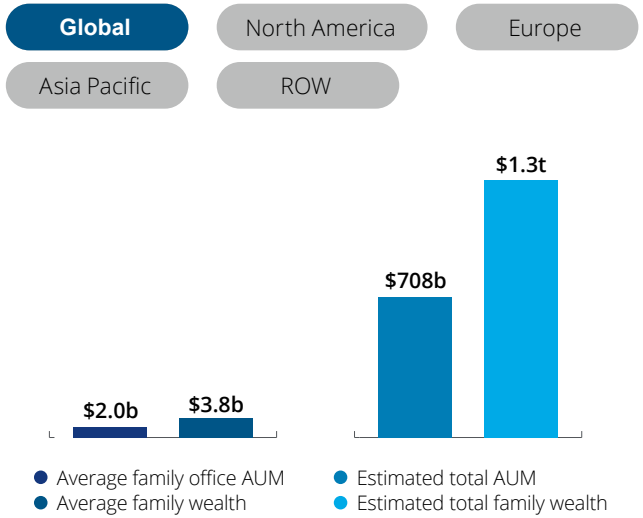



Figure 2: Respondents' family office AUM and family wealth

*Click on each button to view the data*





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# Key takeaways



## 1 Family office expansion explodes

There are an estimated 8,030 single family offices in the world today, up from 6,130 in 2019, a near third (31%) increase. This number is projected to grow by 12% to 9,030 family offices next year and by a third (33%) to 10,720 family offices by 2030. This marks a 75% increase over this roughly 10-year period.

By region, today there are an estimated 3,180 single family offices in North America, 2,290 in Asia Pacific, 2,020 in Europe, 290 in the Middle East, 190 in South America, and 60 in Africa.



## 2 Family offices are becoming an economic powerhouse

Following the radical expansion within the arena, in 2019, the total estimated wealth for families with family offices was US$3.3 trillion. Today it is US$5.5 trillion, reflecting a 67% increase within five years. This wealth is expected to grow another 26% to US$6.9 trillion by 2025 and by 73% to US$9.5 trillion by 2030. This is a notable 189% rise between 2019 and 2030. Following a similar trajectory, family offices' total estimated AUM currently stands at US$3.1 trillion and is expected to rise by 73% to US$5.4 trillion by 2030.

The region that is expected to experience the greatest increase in family wealth and family office AUM is North America, with a projected average rise of 258% between 2019 and 2030, followed by Asia Pacific at 208%.



## 3 Establishing multiple family office branches is trending

More than one-quarter (28%) of family offices now have multiple branches. When setting up their secondary branch, nine in 10 family offices in North America and Europe stuck to their own region. Conversely, most family offices in Asia Pacific (61%) went abroad, setting up secondary branches in North America (38%) and Europe (23%). Looking ahead, more than one in 10 family offices (12%) plan to set up another branch, with North America and Asia Pacific proving most attractive (34% each).



## 4 The face of wealth is being redefined by new money

The global surgency of new wealth in recent decades is redefining the face of wealth. Nine in 10 family offices serve first- (41%), second- (30%), or third- (19%) generation families, reflecting the recent rise in family offices worldwide, with 68% of all offices being established after the millennium.

Meanwhile, echoes of "the third-generation curse" reverberate, as merely one in 10 family offices now represent legacy families (generations 4 or older), raising concern over families' ability to retain their wealth long-term.


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# Key takeaways



## 5 Women are reaching the top

Women now serve as the principals of 15% of family offices worldwide, reflecting a drive to create their own wealth and to take on leadership roles within the family enterprise. In North America, women are the principals of 12% of family offices, in Europe 20%, Asia Pacific 18%, the Middle East 10%, South America 17%, and Africa 21%.



## 6 Valuing governance, family offices strengthen their boards

Nearly three-quarters (73%) of family offices have established boards. They average four members, with just over half (58%) being family members and the remainder outside professionals. Board members most commonly possess a background in strategic planning (asserted by 64% of respondents) and finance, tax, and legal services (another 64%), followed by investment/asset management (58%) and family management (54%).



## 7 Portfolio management and direct investing take up the bulk of family offices' time, along with administration and compliance duties

On average, family offices spend roughly half their time on portfolio management (30%) and direct investing (22%), almost one-fifth on administration and compliance duties (19%), 15% on supporting the operating business, and 7% on each next-generation training and philanthropy. Those in North America spend more than a quarter of each day (27%) on administration and compliance duties. This is more than any other region (Europe 18% and Asia Pacific 12%), thus perhaps reason for assessing a "build, buy, or partner" model when approaching such work.



## 8 The future of the family office arena: Expansion and greater sophistication

Most respondents (73%) predict that the number of family offices worldwide will continue to grow, that they will become more institutionalized and professionally managed (66%), and that their portfolios will become more diversified across asset classes and geographies (55%). Over one-third believe family offices will increasingly transition from being embedded in the family's operating business to become independent structures (38%), that they will expand the number and extent of services they offer (36%), and that there will be a widespread embrace of operations-based digital technology (33%) and sustainable investments/operations (32%).


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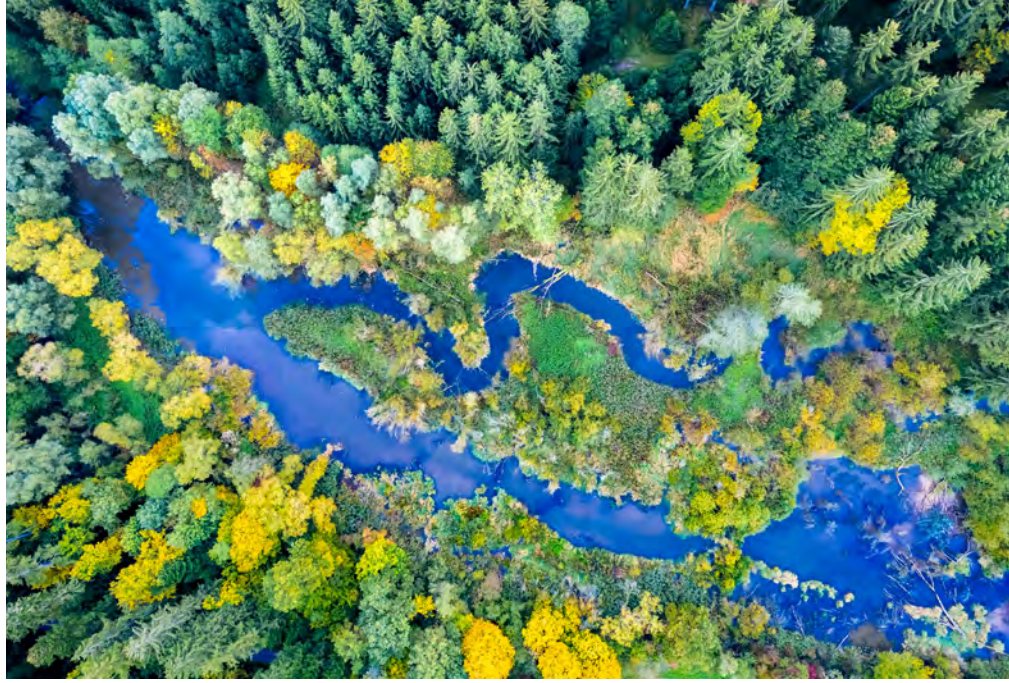

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1, 2, 3 The data on the numbers of family offices, the proportions of family wealth, and the gender of family office principals was produced by Wealth-X, an Altrata company, and commissioned by Deloitte Private.